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AIR POUCH PRIORITY — UNCLASSIFIED (Security Classification) — Actions

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714.

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 372 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — October 29, 1953 DATE

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SUBJECT: WEEKA NO. 44 - ECONOMIC SECTION

CIA SDH UPSB-1

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SECTION II — Action Taken

Urban Real Estate (Unclassified)

To allow more time for completing action on the rent control law, the Guatemalan Congress last week extended for an additional month the three-month old law forbidding all evictions of tenants of low-priced rented urban property. Although the Congress had passed three preliminary readings of the rent control law, it had approved only six of its 42 articles in the course of article by article consideration, and consequently final enactment of the law seemed some days or weeks off. As explained in WEEKA No. 42 of October 16, the proposed law would allow the raising of rents on properties valued at less than $12,000 from the present 7 percent to a new maximum of 10 percent of the assessed value, but would place severe penalties on the illegal eviction of tenants from rented property and would establish a special system of rent courts from which there would be no appeal to the ordinary judicial system. Property owners fear that these courts would be presided over by politically inclined judges who would interpret the law always in favor of the tenants.

Visit of Russian Commercial Official (Unclassified)

Mikhail (Michael) K. SAMOILOV, an official in the Commercial Section of the Russian Embassy in Mexico, visited Guatemala from October 9 to October 27 ostensibly for the purpose of building up Russian exports to this country (See Sec. I). It is known that he called on most of the local dealers in photographic materials, offering them cameras which he claimed were made in

APWardlaw/dkp (10/30/53) REPORTER

(With Unclassified Sections)

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Russia and which appeared from pictures in his catalogs to be exact copies of American and West German products. It is also known that he visited at least one electrical supply dealer, offering Russian built copies of American radios and tubes, and the press stated that he was interested in selling bicycles, automobiles and sewing machines. The prices on the goods which he offered were about one-half of the standard prices of the original American and German goods. It is also understood that he approached the Guatemalan Government with offers for the sale of road-building equipment.

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As far as could be learned, there were few takers for the goods offered by Mr. Samoilov, although persons consulted stated that his prices were most tempting and one of them observed that if large numbers of cameras were to be imported into Guatemala at the prices he was offering, there would be no further sales of American or West German products. The press reported that Mr. Samoilov devoted a considerable part of his time to political matters.

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